

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.IND/6/Add.7/Corr.2
17 June 1969

Limited Distribution

Committee on Trade in Industrial Products

INVENTORY OF NON-TARIFF BARRIERS

Addendum

Supplemental Notifications

Corrigendum

The following are further notifications by Canada and Yugoslavia received after the meeting of the Committee at which the relevant part of the inventory was first examined; the notifications are arranged according to the parts of the inventory (Addenda 1-6) to which they seem to relate.

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to General Comments:

(The following material corresponds to material previously issued, for other countries, in COM.IND/4, pages 2-16, to which it may be considered an addendum.)

YUGOSLAVIA

The attached notification gives only a partial picture of non-tariff barriers which Yugoslav exports encounter, particularly in the developed industrial countries to whose markets it is traditionally directed. The notification should not therefore be considered complete and final; it should be regarded as subject to change and extension, if need be, in the course of further work of the Committee on Industrial Products. The Yugoslav delegation, therefore, reserves the right to participate in the discussions on all non-tariff barriers not mentioned in this notification, whether notified

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to General Comments: (cont'd)

YUGOSLAVIA (cont'd)

by Yugoslavia itself or by any other country, if products of export interest for Yugoslavia are in question.

The attached notification is prepared on the basis of the experience of the interested commercial enterprises and authorities responsible for foreign trade and contains only non-tariff barriers which Yugoslav exports encounter in those developed industrial countries (mainly Western Europe, United States and Japan) which constitute the main Yugoslav export markets. The non-tariff barriers of developing countries are not taken into consideration because the Yugoslav delegation considers that these non-tariff barriers are covered by various provisions of GATT (balance-of-payments difficulties and development needs) and that as such they are being considered in balance-of-payments consultations.

The first part of the notification contains non-tariff barriers of a general character which have been applied in a number of countries. Not mentioning all those countries where non-tariff barriers have been applied but only indicating some of them, the Yugoslav authorities consider that non-tariff barriers of this category will be a subject of further general consideration. At the same time it expresses its desire to participate in the consideration of those non-tariff barriers and in the search for solutions to problems posed by them.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 1:</u>		
<u>A. Government aids</u>		
FRANCE FEDERAL REPUBLIC OF GERMANY ITALY JAPAN UNITED STATES (See Items 4, 6, 9, 13 and 19)	Ships	YUGOSLAVIA: A number of industrially deve- loped countries sub- sidize in various forms shipbuilding industries. Yugoslavia considers that such a practice disturbs normal condi- tions in production and trade in ships and renders especially difficult the expansion of the building of mer- chant ships in deve- loping countries. This refers to the countries named.
FRANCE Direct subsidy (See Item 5)	Woodpulp	YUGOSLAVIA: --
ITALY Export subsidies (See Item 10)	Tomato preserves	YUGOSLAVIA: --
Rebate of various duties and taxes through a flat lire per kg. rebate varying for different iron and steel products (See Item 11)	Steel products	YUGOSLAVIA: --
UNITED KINGDOM Loyalty rebates (See Item 17)	Steel products	YUGOSLAVIA: Discrimi- natory pricing favours domestic products over imports.
Investment grants (See Item 18)	Aluminium	YUGOSLAVIA: Direct subsidy to establish- ment of domestic pro- duction capacity has import inhibiting effects.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to addendum 1: (cont'd)</u>		
<u>B. Government procurement</u>		
AUSTRIA BELGIUM DENMARK FRANCE ITALY UNITED STATES (See Items 24, 25, 32, 33, 36 and 48)	Various	YUGOSLAVIA: The practice of various Government organs as big buyers and consumers of many industrial products determines to a great extent the volume of foreign trade, i.e. imports. Legislation on this subject as well as the practice which is in fact implemented in relation to foreign producers, raises a series of complicated problems and should be considered in detail by the Committee on Industrial Products. The Yugoslav authorities express the interest of their country in these problems and is desirous to participate in their further consideration. This notification refers to Austria, Belgium, Denmark, France, Italy and the United States.
<u>C. State trading</u>		
AUSTRIA (See Item 49)	Tobacco and alcohol	YUGOSLAVIA: --
FINLAND (See Item 53)	Alcoholic beverages	YUGOSLAVIA: --
FRANCE (See Item 54)	Tobacco, cigarettes, manufactured tobacco	YUGOSLAVIA: Monopoly organization.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 1: (cont'd)</u>		
<u>C. State trading (cont'd)</u>		
ITALY (See Item 60)	Tobacco and preparations thereof	YUGOSLAVIA: State monopoly has been limiting Yugoslav exports of these products to Italy.
JAPAN (See Item 61)	Tobacco and alcoholic beverages	YUGOSLAVIA: --
NORWAY (See Item 65)	Wine and alcoholic beverages, medicines and pharmaceuticals	YUGOSLAVIA: --
SWEDEN (See Item 68)	Spirits and wines	YUGOSLAVIA: --
SWITZERLAND (See Item 69)	Ethyl alcohol brandy and liqueurs	YUGOSLAVIA: --
<u>To add to Addendum 2:</u>		
<u>A. Anti-dumping duties, etc.</u>		
<u>B. Countervailing duties, etc.</u>		
CANADA NEW ZEALAND UNITED STATES	Various	YUGOSLAVIA: The competent Yugoslav authorities and interested commercial circles consider that the application of counter- vailing and anti-dumping measures not taking into account the factor of real damage constitutes an obstacle in inter- national trade. Such practices exist in the United States, Canada and New Zealand.
Countervailing and anti- dumping measures (See Items 74-76)		

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to Addendum 2: (cont'd)

C. Valuation, etc.

General comment

YUGOSLAVIA

(See Spec(69)64, pages 35-40)

Differences in the legislation of contracting parties in regard to valuation for customs purposes create difficulties in the smooth flow of trade and thus constitute a non-tariff barrier. The Yugoslav authorities hope that contracting parties still applying a valuation system contrary to the provisions of Article VII of the General Agreement will confirm strictly to the rules set forth in that Article and consider it desirable that contracting parties which have not yet acceded to the Brussels Convention on the valuation of goods for customs purposes should move towards the adoption of regulations based on the definition of dutiable value set forth in the Annex to that Convention. This notification refers mainly to the United States, Canada and Australia.

H. Customs formalities

FRANCE

Non-ferrous metal,
stockings and
socks

YUGOSLAVIA: In respect of these products there are some difficulties concerning customs procedure. Before clearance is made, consultation on prices is required and during all that time goods wait in the customs house.

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to Addendum 3:

General comment

YUGOSLAVIA

Industrial, health and safety standards as well as requirements concerning marking, labelling, etc. Requirements of these kinds in some countries are introduced sometimes for protectionist reasons also and may constitute serious non-tariff barriers to international trade especially for the developing countries. In addition, these requirements lead to delays in customs procedure and to higher costs for imported goods. The competent Yugoslav authorities thus consider, as do other notifying countries, that there is need for GATT, in collaboration with other international organizations, to examine further all these measures in order to eliminate their protective and trade restricting elements.

A. Industrial standards

AUSTRIA
DENMARK
SWEDEN

Testing, examination
(See Add.7/Corr.1, page 3)

Electrical
products

YUGOSLAVIA: Our exports to Sweden face particular technical obstacles in the requirement to introduce imported goods in their official catalogues, which requires sending samples ahead, payment for examination, payment for introduction in the catalogue and a percentage of turnover (in Sweden 0.6%).

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 3: (cont'd)</u>		
<u>General comment (cont'd)</u>		
A. <u>Industrial standards (cont'd)</u>		
AUSTRIA DENMARK SWEDEN (cont'd)		Besides these expenses, the procedure lasts 2-3 months, which hinders normal execution of work. For domestic products, though the same procedure is required, it is a pure formality according to exporters. Similar diffi- culties are encountered in the other named countries.
B. <u>Health and safety standards</u>		
NORWAY SWEDEN	Enamel products	YUGOSLAVIA: New hygienic- technical regulations, relating to the resistance and chemical compound for enamel products have been introduced, with a limiting effect on imports of Yugoslav products.
UNITED KINGDOM	Pencils	YUGOSLAVIA: On imports, a regulation in force pro- vides that pencils should not contain more than 250 millionth parts of different poisons (lead, arsenic, antimony). However, there is no single method for deter- mining percentage content of poisonous substances; instead, different methods have been applied, giving different results, which represents a certain obstacle to imports.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 4:</u>		
A. <u>Quantitative restrictions and licensing</u>		
AUSTRIA		
Global quota (See Item 216)	Penicillin	YUGOSLAVIA: --
BENELUX (Belgium)		
Licensing (See Item 270)	Zinc plate, sheet, strip; a number of textile fibres yarns and fabrics; jute sacks; penicillin	YUGOSLAVIA: --
Restrictive import list, discriminatory against Yugoslavia (See Item 220)	Basketwork	YUGOSLAVIA: --
BENELUX (Netherlands)		
Restrictive licensing (See Item 222)	Zinc sheet, sodium carbonate; penicillin; certain cotton fabrics; artificial textile fibres and certain fabrics thereof	YUGOSLAVIA: --
FRANCE		
Global quotas (See Item 242)	Woollen and cotton fabrics, men's and women's stockings and socks	YUGOSLAVIA: --
FEDERAL REPUBLIC OF GERMANY		
Bilateral quota Discriminatory licensing treatment, global tenders (See Item 244)	Various, especially textiles	YUGOSLAVIA: Yugoslavia is included in Schedule 'B' along with other countries enjoying less liberalization than Schedule 'A' countries.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 4: (cont'd)</u>		
A. <u>Quantitative restrictions and licensing (cont'd)</u>		
FEDERAL REPUBLIC OF GERMANY (cont'd)		
Global quota (See Item 244)	Tableware of porcelain, other ceramics, furniture and insulators of ceramics	YUGOSLAVIA: -
ITALY		
Discriminatory treatment in licensing (See Item 254 but this is a new product)	Cotton woven fabrics, grey and bleached	YUGOSLAVIA: A restrictive import régime not applic- able to other Schedule 'A' countries applies on the products listed.
JAPAN		
Licensing	Penicillin and antibiotics	YUGOSLAVIA: --
Global quotas (See Item 259)	Leather and its products, especially footwear	YUGOSLAVIA: --
NORWAY		
Licensing (See Item 274)	Ships, boats and other vessels	YUGOSLAVIA: --
SWITZERLAND		
Licensing (See Item 296)	Cotton fabrics, jute textiles, clothing of all kinds, certain carpets	YUGOSLAVIA: --

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 4: (cont'd)</u>		
<u>A. Quantitative restrictions and licensing (cont'd)</u>		
UNITED KINGDOM		
Discriminatory quota (See Item 306)	Cotton textiles	YUGOSLAVIA: Imports from Yugoslavia limited since 1966 by quotas with annual increment of 1%. For 1967 the quota was set at 4.3 million yards while imports from most other European countries were free.
General quota (See Item 304)	Jute sacks and bags	YUGOSLAVIA: --
<u>B. Embargoes and other restrictions of similar effect</u>		
SWITZERLAND (See Item 335)	Cotton, woollen and other textiles	YUGOSLAVIA: Minimum prices afford undue protection to domestic industries and deny normal trade oppor- tunities to exporters to compete on the basis of competitive cost advantage.
<u>E. Discrimination resulting from bilateral agreements</u>		
<u>General comment</u>		
YUGOSLAVIA		
Practice of so-called "escape clauses". Certain countries are insistent upon being particularly protected from so-called market disruption. As a consequence, bilateral agreements contain provisions, on the basis of which without any proof of damage, the		

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 4: (cont'd)</u>		
E. <u>Discrimination resulting from bilateral agreements (cont'd)</u>		
<u>General comment (cont'd)</u>		
YUGOSLAVIA (cont'd)		
<p>liberalized import from Yugoslavia can at any time be limited or prohibited. Such a practice represents a particularly difficult form of non-tariff barrier and causes uncertainty in international trade. With regard to Yugoslavia, such escape clauses exist in the trade relations of Yugoslavia with the Federal Republic of Germany and France.</p>		
FEDERAL REPUBLIC OF GERMANY		
<p>Bilateral agreement (See also above and Item 244)</p>	<p>Textile products, basketwork and wickerwork</p>	<p>As noted above, Yugoslavia is a Schedule 'B' country so that imports of nearly all textiles from Yugoslavia are under global tenders ("Global Ausschreibungen"). The following, when imported from Yugoslavia are on the basis of bilateral quotas: gray cotton fabrics; other cotton fabrics; women's, girls' and children's cotton outerwear; cotton handkerchiefs; household linens; woollen yarns; fabrics of synthetic and artificial fibres; fabrics made of fine</p>

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to Addendum 4: (cont'd)

E. Discrimination resulting from
bilateral agreements (cont'd)

General comment (cont'd)

FEDERAL REPUBLIC OF GERMANY (cont'd)

animal hair; finished
fabrics of artificial
fibres, grey or bleached;
knitted upper garments of
wool or synthetic fibres;
women's, girls' or
children's upper garments
of synthetic yarns, wool
or artificial fibres.

G. Export restraints

General comment

YUGOSLAVIA

In commercial relations between Yugoslavia and developed countries, there has been a practice of so-called "auto-limitation" of exports which Yugoslavia has in fact been forced to accept by her trade partners in order to avoid application of open restrictive measures on imports.

In our view, this "new" form of protectionism deserves general consideration in the light of the GATT rules and in conformity with the programme of liberalization of international trade, adopted at the twenty-fourth session of the CONTRACTING PARTIES. Such practice exists for certain Yugoslav products in France, the Federal Republic of Germany, Sweden and in the United States.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 4: (cont'd)</u>		
G. <u>Export restraints (cont'd)</u>		
<u>General comment (cont'd)</u>		
UNITED STATES		
Quantitative restrictions under bilateral agreement (See Item 360)	Cotton textiles	YUGOSLAVIA: A serious non-tariff barrier to our exports to the United States consists in the quantitative restrictions relating to exports of cotton textiles, regulated by the bi- lateral agreement between our country and the United States. It is the question of "export restraint", having for exporting countries the same effects as other quantitative restrictions and thus representing a factor preventing increase of exports of the products concerned.
<u>To add to Addendum 5:</u>		
A. <u>Prior import deposits</u>		
JAPAN (See Item 404)	Various	YUGOSLAVIA: Prior deposits take the form of a percentage of value of goods to be imported, payable by the importer when applying for a licence.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 5: (cont'd)</u>		
B. <u>Surcharges, port taxes, etc.</u>		
AUSTRIA		
Special tax of 10 per cent	Basketwork imports	YUGOSLAVIA: From 1 May 1968 this special tax has reduced our exports.
ITALY		
Administrative tax of 0.5 per cent (See Item 435)	Nearly all products	YUGOSLAVIA: This along with other taxes burdens Yugoslavia's exports to Italy.
G. <u>Variable levies</u>		
EUROPEAN ECONOMIC COMMUNITY (See Item 515)	Fruit and vegetable preparations	YUGOSLAVIA: For these products there is a very complicated system of calculating levies on the basis of sugar content, accompanied by a number of administrative procedures such as: requirement of a declaration on sugar content in prepared products, checking of accuracy of such declarations, control of sugar quantity contained in prepared products in order to choose the method of calculating levies, etc. All this means extreme difficulties for exporters of third countries, who are faced with constant uncertainty as to the actual amount of levy to be applied on such products.

Country maintaining restriction and description	Products affected	Country notifying and comment
<u>To add to Addendum 5: (cont'd)</u>		
<u>H. Border tax adjustments</u>		
AUSTRIA		
Taxes from 6.25 to 13 per cent (See Item 520)	All imports	YUGOSLAVIA: --
BENELUX (Belgium, Netherlands) (See Items 522-5)		
FRANCE (See Item 536)		
FEDERAL REPUBLIC OF GERMANY (See Item 539)	All imports	YUGOSLAVIA: Imports from third countries into the Federal Republic of Germany, including from Yugoslavia, already burdened by differentiated customs duties, have been additionally charged by so-called import turnover tax (Einfuhrumsatzsteuer), which represents only a variant of the value added tax (Mehrwert- steuer) on importation. At present, all imports of agricultural products have been burdened by the rate of 5.5 per cent, while those of manu- factured products by 11 per cent (temporarily reduced to 7 per cent). Though these rates are applied to imports from all countries, even members of the EEC, they are greater for imports from third countries because rates are applied on invoice values increased for the amount of customs duty. This situation in the other countries mentioned is the same.
ITALY (See Item 557)		

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to Addendum 5: (cont'd)

H. Border tax adjustments (cont'd)

ITALY

Turnover tax - 4 per cent;
countervailing import tax -
7.8 per cent (See Item 552)

Nearly all
imports

YUGOSLAVIA: --

SWITZERLAND

Turnover tax of 5.4 per cent
on c.i.f. duty-paid value
(See Item 579)

All products

YUGOSLAVIA: --

To add to Addendum 6:

C. Local content and mixing
requirements

UNITED STATES

Restrictions on use of
imports

Nuclear materials
of foreign origin

CANADA: United States
Uranium Enrichment Regula-
tions under PL 88-489 of
26 August 1964 (See
CH. 14, S. 161 of Atomic
Energy Act of 1954) pro-
vides: "That the com-
mission, to the extent
necessary to assure the
maintenance of a viable
domestic uranium industry,
shall not offer such ser-
vices for source or special
nuclear materials of
foreign origin intended for
use in a utilization faci-
lity within or under the
jurisdiction of the United
States. The Commission
shall establish criteria in
writing setting forth the

Country maintaining restriction and description	Products affected	Country notifying and comment
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To add to Addendum 6: (cont'd)

C. Local content and mixing
requirements (cont'd)

UNITED STATES (cont'd)

terms and conditions
under which services pro-
vided under this sub-
section shall be made
available for source or
special nuclear material
of foreign origin
intended for use in a
utilization facility
within or under the juris-
diction of the United
States".